

2004 SEP 20 P 2: 32

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 ) MUR 5442  
Keyes 2000, Inc. and )  
William Leo Constantine, as Treasurer )

**SENSITIVE**

GENERAL COUNSEL'S REPORT #2

**I. ACTIONS RECOMMENDED:** Accept the counteroffer of Keyes 2000, Inc. and

William Leo Constantine, as Treasurer ("the Respondents"), approve the appropriate letters and close the file.

**II. BACKGROUND**

On April 22, 2004, the Commission found reason to believe that the Respondents violated 2 U.S.C. § 441a(f) by knowingly accepting \$168,200 in facially excessive contributions and by receiving \$8,003 in excessive contributions related to stale-dated checks.<sup>1</sup> The Commission also found reason to believe the Respondents violated 11 C.F.R. § 110.4(c)(3) by failing to dispose of anonymous cash contributions in excess of \$50, 2 U.S.C. § 432(c) by failing to keep adequate records of anonymous cash contributions, and 2 U.S.C. § 432(h) by making cash disbursements in excess of \$100.<sup>2</sup> The Commission simultaneously entered into pre-

<sup>1</sup> All of the activity addressed in this Report occurred prior to the effective date of the Bipartisan Campaign Reform Act of 2002 ("BCRA"), Pub. L. 107-155, 116 Stat. 81 (2002). Accordingly, unless specifically noted to the contrary, all citations to the Federal Election Campaign Act of 1971, as amended ("the Act"), herein are to the Act as it read prior to the effective date of BCRA.

<sup>2</sup> The range of dates on which the statute of limitations expires for the violations are as follows: January 15, 2004 – December 26, 2005 for the receipt of excessive contributions (the statute will not begin to run on the majority of these violations until December 2004); December 14, 2003 – June 30, 2005 for the failure to dispose of excessive anonymous cash contributions (the statute will not begin to expire on the vast majority of these violations until July 2004), July 2, 2004 – December 6, 2005 for cash disbursements; and January 15, 2005 – October 17, 2005 for stale-

1 probable cause conciliation with the Respondents.

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Based on the foregoing, this Office recommends that the Commission accept the Respondents' counteroffer and close the file.

**IV. RECOMMENDATIONS**

1. Accept the counteroffer of Keyes 2000, Inc. and William Leo Constantine, as Treasurer.
2. Approve the appropriate letters.
3. Close the file.

Lawrence H. Norton  
General Counsel

9/20/04  
Date

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Attachment:

1. Respondents' Counteroffer